

**CHILDREN'S ASSESSMENT CENTER
GRAND RAPIDS, MICHIGAN**

FINANCIAL STATEMENTS

**YEAR ENDED SEPTEMBER 30, 2011 AND THE PERIOD
JANUARY 1, 2010 THROUGH SEPTEMBER 30, 2010**

MEYAARD TOLMAN & VENLET p.c.
Certified Public Accountants
Zeeland, Michigan

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Children's Assessment Center
Grand Rapids, MI 49503

We have audited the accompanying statements of financial position of Children's Assessment Center (a nonprofit organization) as of September 30, 2011 and 2010 and the related statements of changes in net assets, activities, functional expenses, and cash flows for the year ended September 30, 2011 and the period from January 1, 2010 through September 30, 2010. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Assessment Center as of September 30, 2011 and 2010 and the changes in its net assets and its cash flows for the year ended September 30, 2011 and the period January 1, 2010 through September 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

Meyaard Tolman & Venlet p.c.

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Certified Public Accountants
December 7, 2011

**CHILDREN'S ASSESSMENT CENTER
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,**

	2011	2010
<u>ASSETS</u>		
CURRENT:		
Cash and cash equivalents	\$ 194,335	\$ 221,213
Accounts receivable - Trade	675	2,250
- Medical billing	6,299	814
- Grants	39,821	15,374
Promises to give	127,953	139,869
Prepaid expenses	2,484	650
Total Current Assets	371,567	380,170
PROPERTY AND EQUIPMENT:		
Land	135,587	135,587
Building	866,858	866,858
Office furniture and equipment	265,173	263,273
	1,267,618	1,265,718
Less accumulated depreciation	(914,348)	(865,998)
Net Property and Equipment	353,270	399,720
TOTAL ASSETS	\$ 724,837	\$ 779,890

See accompanying notes.

	<u>2011</u>	<u>2010</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 19,531	\$ 2,163
Accrued expenses	<u>36,318</u>	<u>34,212</u>
Total Liabilities (All Current)	<u>55,849</u>	<u>36,375</u>
NET ASSETS:		
Unrestricted		
Designated - investment in property and equipment	353,270	399,720
Undesignated	<u>182,265</u>	<u>198,352</u>
Total unrestricted	535,535	598,072
Temporarily restricted	<u>133,453</u>	<u>145,443</u>
Total Net Assets	<u>668,988</u>	<u>743,515</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 724,837</u></u>	<u><u>\$ 779,890</u></u>

**CHILDREN'S ASSESSMENT CENTER
STATEMENTS OF CHANGES IN NET ASSETS**

	Year Ended September 30, 2011	Period From January 1, 2010 Through September 30, 2010
BALANCE, beginning	\$ 743,515	\$ 827,076
Change in net assets	<u>(74,527)</u>	<u>(83,561)</u>
BALANCE, ending	<u>\$ 668,988</u>	<u>\$ 743,515</u>

See accompanying notes.

**CHILDREN'S ASSESSMENT CENTER
STATEMENTS OF ACTIVITIES**

	Year Ended September 30, 2011	Period From January 1, 2010 Through September 30, 2010
<u>UNRESTRICTED NET ASSETS</u>		
REVENUE:		
Public Support:		
Contributions	\$ 228,435	\$ 81,235
United Way - donor choice	4,841	-
United Way - allocation	16,250	20,487
In-kind contributions	6,247	2,440
Total public support	255,773	104,162
Grants and fees from government agencies:		
Law enforcement grants	145,200	137,200
Michigan Department of Community Health Victims of Crime Act (VOCA)	183,563	127,163
Domestic violence grant	15,727	-
Total grants and fees from government agencies	344,490	264,363
Other:		
Interest income	455	490
Fundraising, net of \$11,083 and \$7,165 expenses	68,626	62,549
Medical billings	31,590	11,749
Spectrum reimbursement	465	301
Total other revenue	101,136	75,089
Net assets released from restrictions	84,319	85,275
TOTAL REVENUE	785,718	528,889
EXPENSES	848,255	611,494
Change in Unrestricted Net Assets	(62,537)	(82,605)
<u>TEMPORARILY RESTRICTED NET ASSETS</u>		
REVENUE:		
United Way - donor choice	13,259	-
United Way - allocation	48,750	61,462
Contributions	10,320	22,857
Net assets released from restrictions	(84,319)	(85,275)
Change in Temporarily Restricted Net Assets	(11,990)	(956)
CHANGE IN NET ASSETS	\$ (74,527)	\$ (83,561)

See accompanying notes.

CHILDREN'S ASSESSMENT CENTER
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended September 30, 2011			
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 436,633	\$ 19,805	\$ 47,378	\$ 503,816
Payroll taxes	32,022	1,452	3,475	36,949
Group insurance	16,094	730	1,746	18,570
Contracted services	52,807	-	-	52,807
Physicians' services	27,143	-	-	27,143
Telephone and utilities	22,805	1,267	1,267	25,339
Professional fees	27,051	1,803	7,213	36,067
Printing	9,637	1,205	1,205	12,047
Insurance	10,981	-	-	10,981
Training and education	4,711	-	-	4,711
Office supplies and postage	11,193	1,399	1,399	13,991
Program supplies	15,107	-	-	15,107
Equipment purchases and maintenance	11,039	581	-	11,620
Dues and publications	3,115	164	-	3,279
Board expenses and retreat	-	1,070	-	1,070
Travel	18,162	-	-	18,162
Miscellaneous	4,518	502	-	5,020
Bank charges	390	390	390	1,170
Outreach materials	2,056	-	-	2,056
Depreciation	43,515	4,835	-	48,350
TOTAL EXPENSES	\$ 748,979	\$ 35,203	\$ 64,073	\$ 848,255
% of Expenses	88.30%	4.15%	7.55%	100.00%

See accompanying notes.

**CHILDREN'S ASSESSMENT CENTER
STATEMENTS OF FUNCTIONAL EXPENSES**

	Period from January 1, 2010 Through September 30, 2010			
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 284,570	\$ 19,828	\$ 47,428	\$ 351,826
Payroll taxes	25,133	1,751	4,189	31,073
Group insurance	10,787	752	1,798	13,337
Contracted services	35,140	-	-	35,140
Physicians' services	15,208	-	-	15,208
Telephone and utilities	16,168	896	864	17,928
Professional fees	26,496	1,870	7,421	35,787
Printing	6,652	831	831	8,314
Insurance	9,132	-	-	9,132
Training and education	4,833	-	-	4,833
Office supplies and postage	8,579	1,073	1,073	10,725
Program supplies	10,932	-	-	10,932
Equipment purchases and maintenance	5,545	342	-	5,887
Dues and publications	1,611	100	-	1,711
Board expenses and retreat	-	712	-	712
Travel	16,939	-	-	16,939
Miscellaneous	2,127	236	-	2,363
Bank charges	374	375	374	1,123
Outreach materials	3,086	-	-	3,086
Depreciation	31,895	3,543	-	35,438
TOTAL EXPENSES	\$ 515,207	\$ 32,309	\$ 63,978	\$ 611,494
% of Expenses	84.25%	5.28%	10.46%	100.00%

**CHILDREN'S ASSESSMENT CENTER
STATEMENTS OF CASH FLOWS**

	<u>Year Ended September 30, 2011</u>	<u>Period From January 1, 2010 Through September 30, 2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (74,527)	\$ (83,561)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	48,350	35,438
(Increase) decrease in:		
Receivables	(16,441)	15,634
Prepaid expenses	(1,834)	-
Increase (decrease) in:		
Accounts payable	17,368	(1,571)
Other current liabilities	<u>2,106</u>	<u>10,335</u>
Net Cash Provided (Used) by Operating Activities	<u>(24,978)</u>	<u>(23,725)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	<u>(1,900)</u>	<u>(32,432)</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,900)</u>	<u>(32,432)</u>
Net increase (decrease) in cash and cash equivalents	(26,878)	(56,157)
Cash and cash equivalents, beginning	<u>221,213</u>	<u>277,370</u>
Cash and cash equivalents, ending	<u>\$ 194,335</u>	<u>\$ 221,213</u>

There were no interest or income taxes paid by the Organization.

**CHILDREN'S ASSESSMENT CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011 AND THE PERIOD
FROM JANUARY 1, 2010 THROUGH SEPTEMBER 30, 2010**

MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MISSION – Children’s Assessment Center (the "Center") is a not-for-profit corporation organized for the purpose of providing services to children who are victims of sexual or other forms of assault and abuse and to their families, to coordinate community response, conduct training for professionals responding to these cases, and to provide medical assessments and other treatment. The Center renders services primarily to the residents of Kent County.

The Center’s program is to protect and assist child victims of suspected sexual abuse through expert multidisciplinary response intervention in an environment that is child sensitive, supportive, and safe.

INCOME TAX EXEMPTION – The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

PROPERTY, EQUIPMENT AND DEPRECIATION – Purchased equipment is recorded at cost and donated assets are recorded at fair market value. Depreciation is computed using the straight-line method over the estimated lives of the assets placed into service. When property is deemed held for sale, the Center carries it at the lower of net carrying value or fair value less costs to sell.

ESTIMATES – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents consists of two checking accounts, a sweep account, and a money market account.

BASIS OF PRESENTATION – The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statements are presented in accordance with the provisions of FASB ASC 958, *Not-for-Profit Entities* and the AICPA Audit and Accounting Guide for Not-for-Profit Organizations (the “Guide”).

Under the provisions of FASB ASC 958 and the Guide, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Children’s Assessment Center are classified and reported as follows:

- a.) Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- b.) Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or passage of time.
- c.) Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. The Center had no permanently restricted net assets at September 30, 2011 or 2010.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (ie., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

CONCENTRATION OF CREDIT RISK – Accounts receivable arise from the providing of services to various agencies and organizations. They are deemed to be collectible and no allowance has been provided.

PROMISES TO GIVE

Promises to give from donors consists of the following:

	September 30, <u>2011</u>	September 30, <u>2010</u>
Due in less than 1 year – United Way	\$ 62,009	\$ 70,539
Due in less than 1 year – other	58,862	48,981
Due in 1 year to 5 years	79,725	81,390
Due in 6 years to 8 years	<u>100</u>	<u>100</u>
Total pledged receivable	200,696	201,010
Less unamortized discount to net present value at 3%	(9,198)	(7,220)
Less allowance for uncollectible pledges	<u>(63,545)</u>	<u>(53,921)</u>
Net pledges receivable	<u>\$ 127,953</u>	<u>\$ 139,869</u>

LINE OF CREDIT

The Organization has available an unsecured \$50,000 line of credit, with interest on borrowings charged at the bank's prime rate but not less than 4.5% (effective rate of 4.5% at September 30, 2011), maturing July, 2012. No amounts were outstanding on this line of credit at September 30, 2011 or 2010.

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consists of the following:

	September 30, <u>2011</u>	September 30, <u>2010</u>
United Way promises to give which will be available for unrestricted purposes in the subsequent fiscal year.	\$ 62,009	\$ 70,539
Other promises to give	65,944	69,330
Foundation grants – funding for subsequent years	<u>5,500</u>	<u>5,574</u>
Total Temporarily Restricted Net Assets	<u>\$ 133,453</u>	<u>\$ 145,443</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through December 7, 2011, which is the date the financial statements were available to be issued.